

# Parliament '99

## Agenda

### I. Objectives & Strategies

S. Rafferty

### II. Forecast Review

R. Anise

### III. Qualitative Results Topline

R. Anise

### IV. Ad Pack Analysis

R. Anise

### V. Strategic Options

S. Rafferty

### VI. Recommendation and Rationale

S. Rafferty

### VII. Advertising Copyline Qualitative

S. Rafferty

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PLT is different lights over  
than expectations PPS under

Denver  
Research  
Summation  
Advertising  
Results

Be prepared  
to present  
  
Get Hallmark  
one page  
packaging  
research  
  
↳ Based upon  
lights packaging  
very required + successful

# **Parliament '99**

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- **Objective:**
  - Develop a “new” premium cigarette brand utilizing an existing trademark that can provide Philip Morris with a mainstream alternative choice to Marlboro
- **Strategies:**
  - Introduce new Full Flavor line extension in Region 1
  - Introduce “new” brand in Full Flavor and Lights remainder of US

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## Strategic Options

- Option 1: Test Market of Full Flavor and Lights in July 1999

- Pros:

- Allows for tactical and strategic modifications to plan prior to national roll out

- Test viability of proposition in marketplace  
- Confirm DB

- Cons:

- Delays Test Market intro to July

- Revise all sell-in materials

- Delays national roll out to 2nd Half, 2000

- Requires development of full marketing plan to support Lights brand

- Need for Lights advertising development and execution + promotion
  - Rerun existing creative through July at earliest

remove uncertainty  
by testing viability  
in marketplace

~~COSTS~~  
~~Sell-in materials~~  
~~Product costs~~  
~~2-3 million units~~  
~~Share 2.1 billion units~~  
~~Value of information~~

→ \$10M in marginal contribution in year 2.

\$95.7M in marginal contribution  
\$45.5M / 1,000 units

Learning

- limited opportunity for add'l incremental learning

- 1.3 to 1.7 share estimates - close in assumption

- qualitative, quantitative research

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## Strategic Options

### • Option 2: National Introduction of Lights only

#### - Pros:

- Purchase interest significantly higher on Lights
- Consistent with brand heritage
- Largest volume opportunity with Lights

#### - Cons:

- Change in direction delays introduction to July at earliest
  - All materials currently in production for May launch
    - Sell-in materials and promotions

- Need "new" news in marketplace for national reintroduction

- Full Flavor packings and positioning provides legitimacy as a big brand

- Would require relook at creative and brand positioning to determine relevance to Lights YAS only brand

- New advertising or current Lights advertising

Elimination of Full Flavor only reduces budget by \$10.0MM or 7%

- Loss of approximately 400MM units and \$18MM in marginal contribution in 1999

Rationale:

\* Old Pack forecast yields more business than recent intro in Chicago & its my

Options:

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## Strategic Options

- Option 3: National Introduction of Lights only in July 1999 in FTB  
Full Flavor introduction in 1st Qtr, 2000 in Octagonal packaging

- Pros:

- Phased introduction provides "new" news from Parliament in Year 1999 and 2000
- Octagonal packaging may provide added appeal and trial
  - Quantitative packaging structure results among competitive Full Flavor smokers:
    - 61% prefer Octagonal to FTB
    - Significant improvement on top rated personality attributes
      - Octagonal: Eye-catching, unique, stylish, attractive, innovative, cool/hip
      - FTB: Traditional, average/everyday, ordinary looking, old-fashioned

- Cons:

- Change in direction delays national Lights introduction to July at earliest
  - All materials currently in production for May launch
    - Sell-in materials and promotions
- Need "new" news in marketplace for national reintroduction
- Would require reassessment of creative and brand positioning to be relevant to Lights YAS
  - New advertising or current Lights advertising

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## Recommendation & Rationale

### • Option 4: No Change in Strategy

Full Flavor and Lights national introduction in May 1999

#### - Pros:

- Lights purchase interest consistent with forecast and expectations *(exceeds)*
- Full Flavor needed more from positioning standpoint than volume
  - Provides big brand legitimacy among key YAS brands with flavor heritage
  - Full family of offerings

- Full  
Flavor,  
Share in RL  
not rest of  
Country

#### - Cons:

- Full Flavor purchase interest lower than anticipated

Delivers or forecast incremental  
volume to share contribution

incremental  
marginal contribution  
Provides marketplace access for  
consumer

Provides pp  
needed alternative  
of YAS

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## Advertising Copyline Qualitative Research Results

- Research structure:
  - Tested over 20 alternate lines
    - Findings for top four alternates summarized
  - 12 groups held in NY, Miami and Atlanta (4 per market)
  - Camel, Winston, Newport and Marlboro smokers
  - LA-29 years of age
- Research Results
  - "New Full Flavor Parliament Out of the Clear Blue"
    - Recommendation as best alternative to original line
    - Retains communication message of previous line
      - Newness of Full Flavor
      - Unexpectedness from Parliament or any Lights brand
      - Ties to colors of advertising and packaging
      - Reinforces flavor and taste
      - Recall of line high since phrase used in everyday language
    - Links packaging, advertising and brand "news"
    - Some consumers mentioned that the phrase looked like too many words
      - New layout improves communication of line

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## Advertising Copyline Qualitative Research Results

- Research Results

- “Distinctly Smooth, Distinctly Blue”
  - Not recommended as alternative, although received some positive feedback
    - Consumers appreciated the simplicity of the line
    - Speaks to product differentiation and brand differentiation
    - Distinctly communicates brand uniqueness and slightly upscale image/positioning
  - Preferred as tagline to reinforce product benefit
  - Not as memorable
  - Does not communicate “news” and unexpectedness
- “Let the Night Begin”
  - Not recommended as alternative line although received positive feedback
    - Good reflection of brand positioning and campaign
    - Relevant and appealing to YAS -- nighttime and “magic hour”
  - Not proprietary or ownable -- reminiscent of beer line
  - Does not enhance/dimensionalize brand positioning

*One dimension*

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## Advertising Copyline Qualitative Research Results

- Research Results

- "Out of the Old. Into the Blue"
  - Not recommended as alternative, although received some positive feedback
    - Considered very catchy and memorable
    - Encourages switching from old brand to new Parliament
  - Potential negative impression of current Parliament Lights in Region 1
    - Is their "old brand" their current brand or current Parliament Lights
  - Does not communicate "news" and unexpectedness

- Not sustainable — *on ongoing bases where  
good  
with time* ~~for  
time~~

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## Previous Advertising Copyline Research

- **Full Flavor versus Great Taste**
  - Previous qualitative research results
    - Both lines performed well
    - Advantages for Full Flavor
      - Communicates the introduction / “news” along with excellent taste
      - More distinctive / better descriptor than Great Taste
        - Great Taste commonly used by many categories/brands
  - Recommendation
    - Introduce with Full Flavor
      - Opportunity to modify line to “Great Taste” in Year 2000

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